

North Dakota Child Care Center Salary Survey Report

Methodology

This survey was conducted in January/February of 2012 to gather statewide information on the salary levels, benefits and turnover of the licensed child care center early care and education (ECE) workforce. A previous survey was conducted in 2006. This survey was prompted by an increase in salary and benefits questions from ECE Center Directors. A focus group of selected members of the Fargo-Moorhead Area Preschool Advocates (APA) reviewed the initial draft to suggest changes.

In January of 2012, North Dakota Child Care Resource & Referral (ND CCR&R) database listed 148 licensed ECE centers. 118 centers were emailed a link to an on-line electronic survey. 30 centers with no email address in the database were mailed a hard copy survey with a prepaid return envelope. Center personnel were given two weeks to complete the survey.

The first four questions of the survey (City, County, for-profit or non-profit, and stand-alone or part of a larger organization) required a response in order to proceed with the remainder of the survey. To encourage

participation, two \$25 Wal-Mart gift cards were offered as prizes to those completing the survey.

Responses were received from 55 centers (37%) with 48 completing the survey on-line and 7 by hard copy. The hard copy surveys were added to the electronic survey results by the project manager.

National research indicates that quality ECE plays a vital role in school readiness, not only in academic ability but in social skills that enhance the classroom learning environment. Quality is also tied to stability in the ECE workforce which in turn is affected by adequate compensation and benefits to prevent employee turnover. Not only do children develop skills more readily but parents are more comfortable with care and education consistently provided by the same teacher.

78% of females with children are working and need some form of ECE services. Progressive states recognize not only the economic impact of this sector but the economic impact of the industry on education and social services.

Summary of Findings

- Respondents represented 15 counties.
- 19 ECE centers were for-profit and 36 non-profit.
- 34 were stand-alone businesses and 21 were part of a larger organization (such as a church or a Y).
- 46 centers enrolled infants (0-18 months), 51 enrolled toddlers (19-36 months), 52 enrolled preschool children (37- 48 months), and 44 enrolled school age children (49-60 months).
- Licensed capacity ranged from 30 to 220 with an average of 83.
- Three ECE centers were nationally accredited.
- A majority of centers (28) indicated 70% to 89% of annual budget was spent on salaries and benefits. Four indicated those expenditures at 90% or greater.
- 612 full-time staff and 661 part-time staff are employed by the respondents.
- Annual staff turn-over ranged from 44% for assistant teachers to 9% for Administrative Directors.
- 13% of the centers reduced enrollment last year due to staff shortages.
- Average hourly wages for teachers ranged from \$7.79 to \$17.45 and averaged \$9.35.
- Most full-time teachers and ECE Directors were offered paid sick days (67%/76%), paid holidays (75%/84%) and paid vacation (78%/85%).
- 91% of full time staff have a written job description while only 36% have a written salary schedule.
- 96% of all North Dakota workers have an hourly wage higher than child care workers.

Job Sector Wage Comparison

ECE average wages remain one of the lowest in comparison to other job sectors in North Dakota. Since 2006 the average wage for ECE teachers has risen less than 4%. (Wages for North Dakota Jobs-2011 Edition, NDWIN)

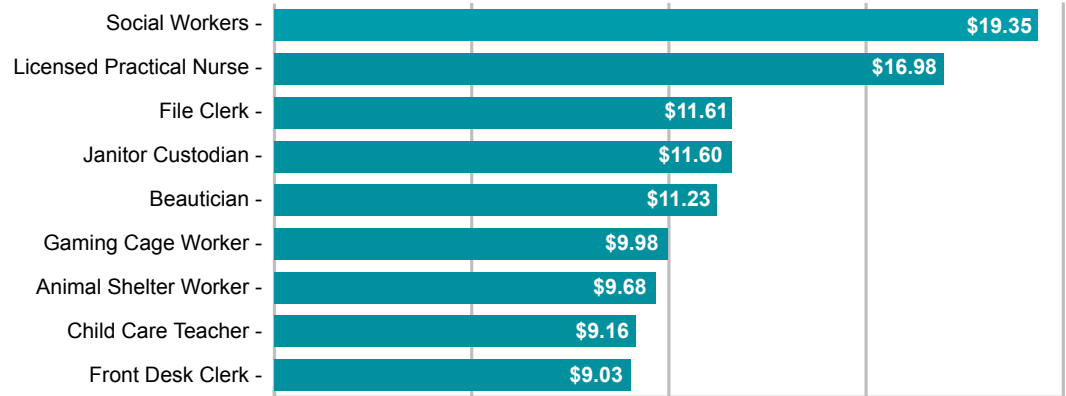


Figure 1 - Job Sector Wage Comparison

Wage Range of Child Care Workforce

The projected total annual earnings of child care workers in 2010, exclusive of Center Directors, is in excess of \$47 million. (Wages for North Dakota Jobs-2011 Edition, NDWIN)

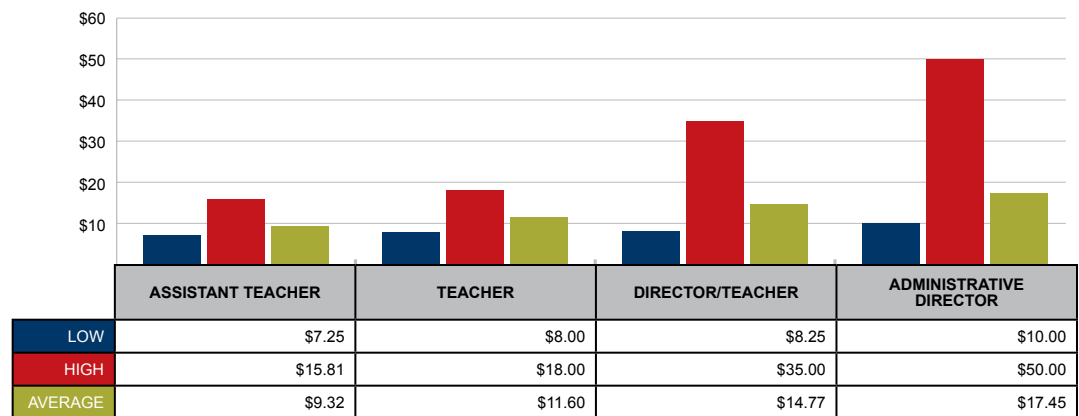


Figure 2 - Hourly Wages of Child Care Workforce

Wage Range of Child Care Workforce by City

Data indicates very little variation in the low end of hourly wages paid to ECE staff across the state. Beginning hourly wages are typically in the \$7.25 to \$8.00 range regardless of title. The Fargo/West Fargo and Grand Forks centers pay slightly higher partly because they compete for staff with western Minnesota, which pays on average \$.30 to \$2.00 more per hour depending on title.

- Bismarck
- Fargo/West Fargo
- Grand Forks
- Minot
- Remainder of State

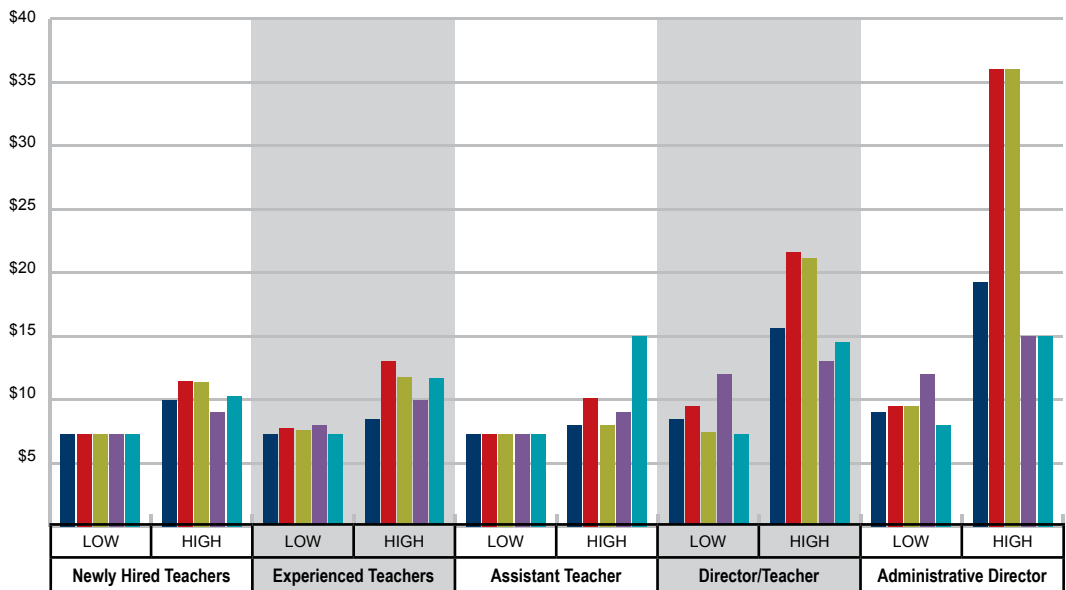


Figure 3 - Hourly Wage Comparison by City

Highest Hourly Wage

Highest hourly wage is dictated in part by:

- A written salary schedule
- Number of respondents from an area.

This data is not an average but the highest hourly possible. It is not an indicator that anyone actually earns that amount. The value of this chart is to help centers understand what their area may offer for the most qualified staff.

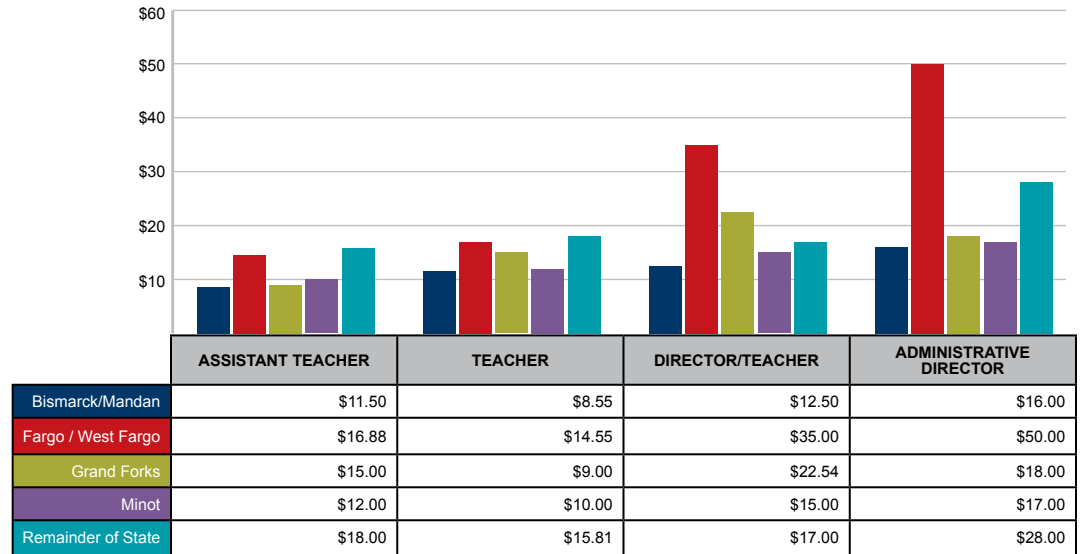


Figure 4 - Highest Hourly Wage of Child Care Workforce by City

Wage Range of New Hires

Regardless of title, 27% of new hires start at minimum wage and 60% of new hires start at \$10.10 per hour or less. \$10.10 per hour equates to an annual salary of barely over \$21,000. The mean annual salary of a preschool teacher in North Dakota is \$23,940 or \$11.50 /hour.

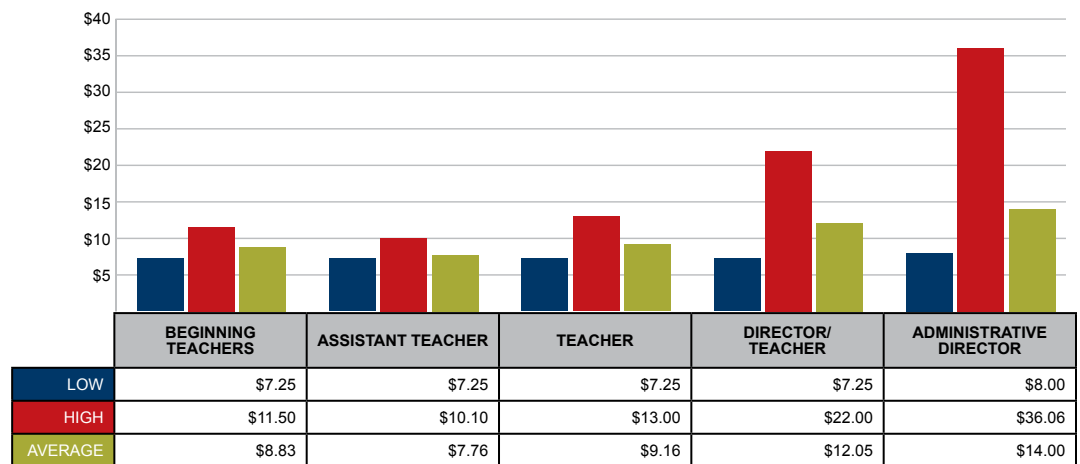


Figure 5 - Wage Range of New Hires in Child Care Workforce

Salary & Benefit Budgets

ECE is a staff intensive industry. Spending 70% and more on salaries and benefits leaves little room for emergencies, repairs, maintenance, or instructional improvement. This level of expenditure requires many centers to rely on outside sources of revenue such as fundraisers, donations and grant sources that have no longevity or consistency.

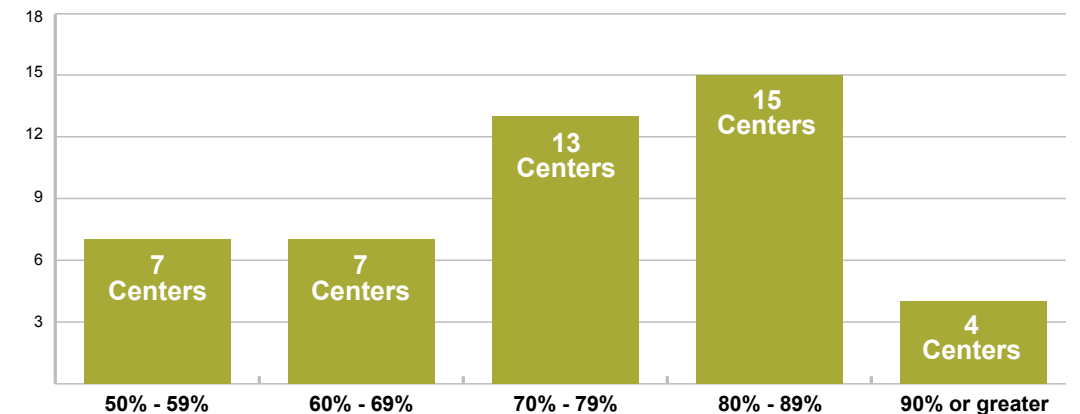


Figure 6 - Percent of Total Budget Expended on Salaries and Benefits

Employee Turnover

Consistency of care is an important element of quality child care. Early Childhood Education, like many low wage industries, typically has a high staff turnover. A high turnover of child care staff has especially serious consequences because when a teacher leaves a program the children in her care may suffer a learning and/or developmental setback.

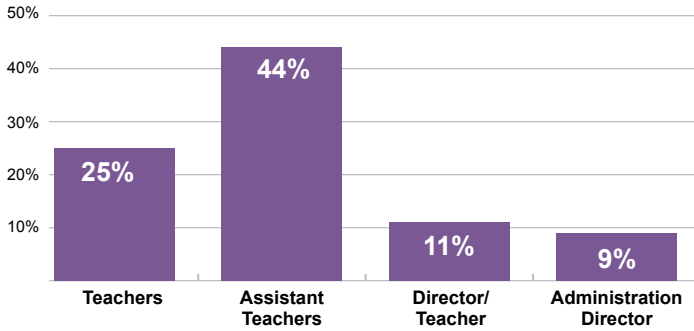


Figure 7 - Turnover Rate by Job Title

Best Practices

The best business practices listed below help to decrease staff turnover and litigation risk. From 2006 to 2012 there was an increase in the percent of full-time staff covered by a written job description (78% to 91%) and a decrease in access to a staff room (61% to 48%). The fourth category is important so teachers have a place to prepare lesson plans, take required breaks, and privately visit with parents.

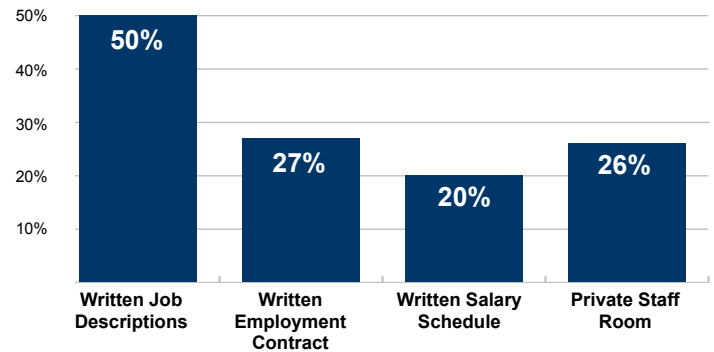


Figure 8 - Percent with Selected Best Business Practices

Employee Benefits

Low wages in ECE are not being offset by increase in benefits. 2006 wage survey data shows little to no change when compared to 2012 data.

■ Full Time Teaching Staff
■ Directors

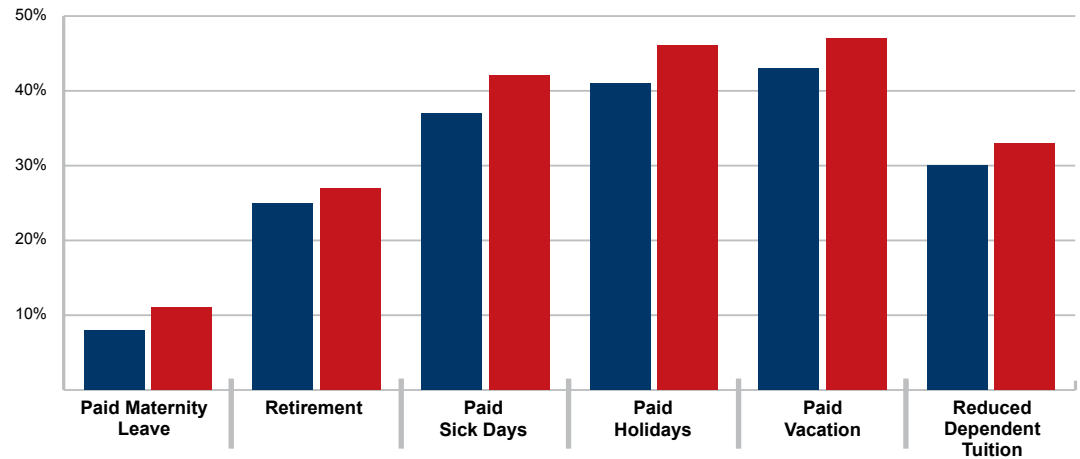


Figure 9 - Percentage of Early Childhood Employers Who Offer Employee Benefits

Number of Child Care Staff and Teachers

Part-time employment in ECE is driven by the inability of the industry to offer sufficient wages and benefits. Only those workers classified as “teachers” have a higher full-time rate than part-time rate. The quantity of part-time employees also impacts the high employee turn-over rate. This trend drives inconsistency of care which in turn affects the quality of care.

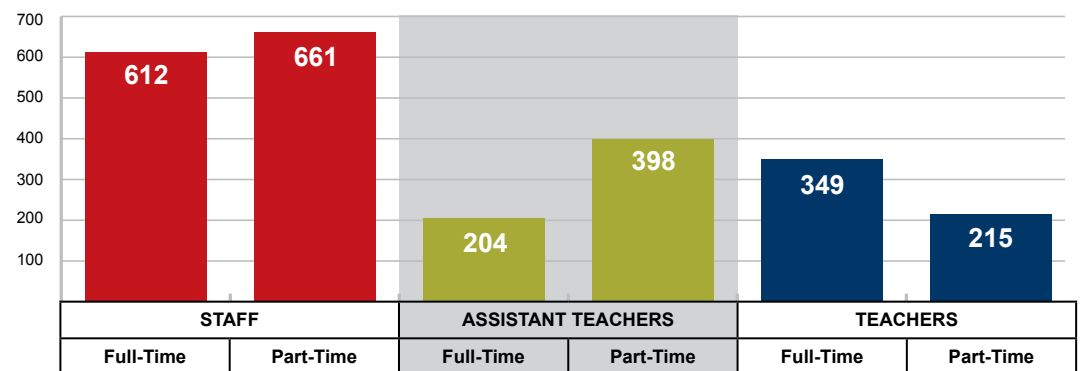


Figure 10 - Number of Child Care Staff and Teachers in North Dakota